

# [ Budget ]

***Does the CAM agree that the budget for this control account is reasonable and includes all costs?***

- n What elements of cost is the CAM responsible for (labor hours, labor dollars, overhead, subcontractor, vendors, travel, ODC, G&A, COM)?
- n Have the CAM describe how he estimated costs for the BAFO
- n Are all tasks budgeted for? What is the basis of the budget?
- n Discuss historical costs or factors that may be relevant to the current plan
- n Have the CAM step through any changes from BAFO values to his current CA value. Has he requested management reserve?
- n Are manpower resources leveled in relation to the manpower available?
- n Are work packages reasonable (relatively short term)?
- n Have the CAM discuss developing cost variances
- n Have the CAM identify any areas or work packages that have some cost risk.
- n Has any budget been allocated for known technical or schedule risk?

# Potential areas for concern on Budget:

- n Required activities not budgeted
- n Work limited by timing of budget resources
- n Insufficient budget to complete tasks
- n Inappropriate optimism that things will get better
- n “We’ll work twice as hard for less budget”
- n Wide variation in overheads and rates
- n Look at business assumptions as basis for rates
- n Labor environment (labor shortages/surpluses, critical skills, etc)
- n Subcontractor performance on non FFP type contract
- n Poor analogies for cost estimating